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Diana T Fritz 02/06/2007 05:39:24 PM From DB/Inbox: Search Results

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Text:

CONFIDENTIAL

SIPDIS  
TELEGRAM

June 13, 2004

To: No Action Addressee  
Action: Unknown  
From: AMEMBASSY ABU DHABI (ABU DHABI 1942 - ROUTINE)  
TAGS: EPET, ENRG, ECON  
Captions: None  
Subject: UAE PRODUCTION IN THE WAKE OF THE JUNE OPEC QUOTA  
INCREASE  
Ref: None

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C O N F I D E N T I A L ABU DHABI 01942

SIPDIS  
CXABU:  
ACTION: ECON  
INFO: DCM POL P/M AMB  
Laser1:  
INFO: FCS

DISSEMINATION: ECON  
CHARGE: PROG

APPROVED: AMB:MMWAHBA  
DRAFTED: ECON:OJOHN  
CLEARED: ECON:CMARTIN-CRUMPLER, DCM:RALBRIGHT

VZCZCADI183  
RR RUEHC RUEHHH RUEHDE RUCPDOC RHEBAAA  
DE RUEHAD #1942 1651242  
ZNY CCCCC ZZH  
R 131242Z JUN 04  
FM AMEMBASSY ABU DHABI  
TO RUEHC/SECSTATE WASHDC 4701  
INFO RUEHHH/OPEC COLLECTIVE  
RUEHDE/AMCONSUL DUBAI 4057  
RUCPDOC/DEPT OF COMMERCE WASHDC  
RHEBAAA/DEPT OF ENERGY WASHDC

C O N F I D E N T I A L ABU DHABI 001942

SIPDIS

DEPT FOR NEA/RA, NEA/ARP, INR/EC, EB/IEP, EB/CBA  
USDOE FOR INT'L AFFAIRS - COBURN, ALSO CALIENDO  
USDOE FOR OFFICE OF THE SECRETARY - RHONDA HUDOME  
USDOC FOR 1000/OC/  
USDOC FOR 4520/ITA/IEP/ONE  
USDOC FOR 4530/ITA/MAC/ONE/DGUGLIELMI  
4500/ITA/MAC/DAS/WILLIAMSON  
3131/CS/OIO/ANESA

E.O. 12958: DECL 06/06/2009  
TAGS: [EPET](#) [ENRG](#) [ECON](#) [TC](#)  
SUBJECT: UAE PRODUCTION IN THE WAKE OF THE JUNE OPEC QUOTA  
INCREASE

(U) Classified by Ambassador Marcelle M. Wahba, for reasons  
1.5 (B) and (D).

[1](#)1. (C) Ambassador, accompanied by EconChief paid her

farewell call to ADNOC CEO Yousef Omair bin Yousef and Deputy CEO Abdullah Nasser Al-Suwaidi on June 6, 2004. The Ambassador thanked Yousef for the UAE and OPEC's welcome action and asked about the UAE's announcement that it would produce an extra 400,000 barrels per day. Yousef acknowledged that some of the announcement reflected extra oil that the UAE had already been producing. He said that the UAE's new production would be about 2.5 million barrels per day. (note: The UAE's quota before the increase was 2.05 mbd. After the Beirut meeting, its quota increased to 2.22 mbd. Dubai production does not/not count as part of the UAE's OPEC quota.) He added that the UAE's normal production, counting Dubai, was about 2.2 million barrels per day. Yousef further said that the UAE produced about 250,000 barrels per day of condensate, which were not covered by the OPEC quota.

12. (C) The Ambassador asked for Yousef's opinion about the impact of OPEC's decision on oil prices. Yousef stated that he thought speculation and political concerns were playing a role in the current high oil prices. He noted that total world consumption of oil was about 80 million barrels per day, but that the volume of traded oil was 180 million barrels per day. He also explained that oil demand was indeed increasing, and cited China as an example of a country that was increasing its energy use at a tremendous rate.

13. (C) For its part, ADNOC was looking at expanding its production capacity, increasing its oil production capacity by 20 to 30 percent over the next three to seven years and doubling onshore LPG output. Yousef also said that ADNOC would be looking to expand dramatically its petrochemical production over the next few years. In response to the Ambassador's question about reports that the northern emirates were interested in gas deals with Iran and whether that would affect ADNOC, Yousef stated that it would not. ADNOC did not have a gas contract with Sharja. It was supplying gas to Dubai and was increasing its deliveries to meet demand.

Wahba